

1 Q. Consumer Question: If energy sales are made to other consumers at a lower price
2 than paid by Island consumers, will this increase the price to other consumers?

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5 A. Consistent with the Terms of Reference and the Reference Question, Nalcor's
6 analyses are based on Newfoundland customers being the only customers for
7 Muskrat Falls energy. No other sales are included. With the assumption that Island
8 consumers are paying rates sufficient to recover the entire costs of Muskrat Falls
9 and the Labrador Island Transmission Link, the CPW of this scenario is expected to
10 be \$2.2 billion (\$2010) less than the Isolated Island alternative.

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12 Any revenue from sales of surplus energy could be either used to reduce rates or
13 returned as a dividend to Nalcor's shareholder, the Government of Newfoundland
14 and Labrador.